

Market Indicators

	12-Jul	13-Jul	16-Jul
Mkt. T/O (S\$ mil)	1,105.3	907.5	876.4
Stock Advances	253	230	160
Stock Declines	151	151	238

Major Indices

	12-Jul	13-Jul	16-Jul
DJ Ind Avg	24,924.9	25,019.4	25,064.4
S & P 500	2,798.3	2,801.3	2,798.4
Nasdaq Comp	7,823.9	7,826.0	7,805.7
Hang Seng	28,480.8	28,525.4	28,540.0

STI Index 3,232.79 (-0.85%)

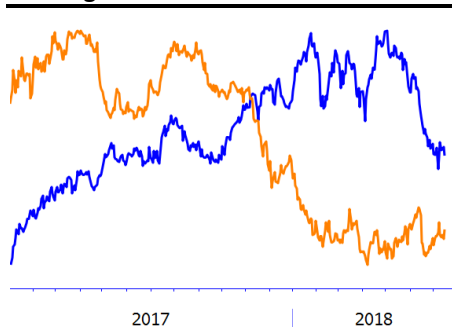


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,240.72	-0.27%
Oil (NYMEX CWT1) US\$ / bbl	68.06	-3.75%
Baltic Dry Index	1666	2.08%

Exchange Rates



USD : SGD 1.3618 / MYR : SGD 2.9694

Source: Bloomberg

Interest Rates

3-mth Sibor	1.629%
SGS (10 yr)	2.396%

KGI Market Ideas

Over the next twelve months, our strategy is to sell into strength and build up a defensive portfolio. Among names we like are SingTel, ST Engineering, ComfortDelGro and REITS.

Singtel: Singtel has recovered well from its low of \$3.02 and continues to be part of our defensive portfolio component. The firm has a well-diversified portfolio with ~50% of pre-tax profits coming from regional associates. Dividend yields continue to look attractive at 5.5% and consensus expects earnings to rebound by FY20F, driven by potential earnings recovery of Bharti. As a tactical trade, we recommend investors who bought the stock at \$3.02 to lock in profits as the stock is facing resistance around \$3.28. For dividend investors, we continue to recommend a buy due to its attractive dividend yield.

ST Engineering: The recent pullback in share price is an opportunity to buy. Its 4-5% forecasted dividend yields are attractive, while its near-record high orderbook of S\$13.4bn as at end March provides visibility and stability to revenues. Furthermore, we like its diversified businesses in aerospace (50% of profit before tax in the latest quarter), electronics (34%), land systems (12%) and marine (6%). ST Engineering remains the world's largest commercial airline Maintenance, Repair and Overhaul (MRO) provider. Barriers to entry into its core businesses are high. Going forward, we expect earnings growth to be driven by smart city initiatives, cybersecurity and the Internet of Things (IoT).

Frasers Centrepoint Trust (FCT): FCT remains one of the most defensive retail REITs with a high exposure to suburban malls, in our view. FCT comprises of 6 retail properties with an overall occupancy to 94%, Weight Average Lease Expiry of 2.1 years (by NLA), Weighted Average Debt Maturity of 2.5 years and has one of the lowest gearing levels of 29%, which gives the REIT ample debt headroom for new acquisitions. Although expectations of rising rates should have already been priced in, a faster than expected rate hike could potentially impact the REIT in the near term. FCT currently trades at its long term average P/B of 1.1x, undemanding in our view. The stock currently offers a dividend yield of 5.5% and has a consensus fair value estimate of S\$2.43, implying a 9.5% upside. A potential catalyst to the stock would be the injection of Waterway Point or North Point City North Wing into the REIT, which we believe is yet to be priced in.

KGI Securities Research Team

Recent In depth Regional Reports

16/7	TH Airports of Thailand (AOT TB; Outperform; TP: Bt 82.12): 3Q18 earnings preview: New high for 3Q
16/7	TH Star Petroleum Refining (SPRC TB; Outperform; TP: Bt 15.20): 2Q18 earnings preview: Picking up high dividend
16/7	TH True Corporation (TRUE TB; Outperform; TP: Bt 7.40): 2Q18 earnings preview: Profit to skyrocket on extra item
13/7	GLOBAL Trade war nears first-season finale: Go long small caps & services; short LatAm amid US dollar appreciation
13/7	TW Dadi (8437 TT; Outperform; TP: NT\$368.00): Curriculum transformation to boost future earnings
13/7	CN/HK Stock Liquidity Monitor: Weekly data – Stock incentive & employee shareholding plans
13/7	TH Eastern Polymer Group (EPG TB; Outperform; TP: Bt 9.10): 1QFY18/19 earnings preview: Improvement on track
13/7	TH Ekachai Hospital (EKH TB; Outperform; TP: Bt 7.00): 2Q18 earnings preview: Strong earnings
13/7	TH Robinson Department Store (ROBINS TB; Outperform; TP: Bt 85.00): 2Q18 earnings preview: To rise YoY and drop QoQ
13/7	TH Tisco Financial Group (TISCO TB; Outperform; TP: Bt 118.00): Pullback is a buying opportunity
12/7	TW Telecom Sector (Neutral): Preliminary 2Q18 earnings in line
12/7	TW Feng Tay (9910 TT; Outperform; TP: NT\$202.0): 2Q18 sales & earnings beat
12/7	TH Non-Bank Sector (Neutral): 2Q18 earnings preview: Solid for KTC and MTC
12/7	TH Central Pattana (CPN TB; Outperform; TP: Bt 93.00): Mixed-use development becoming more common
12/7	TH Siam Cement (SCC TB; Neutral; TP: Bt 503): 2Q18 earnings preview: Flat QoQ despite seasonal effect
12/7	TH Tisco Financial Group (TISCO TB; Outperform; TP: Bt 118.00): 2Q18 earnings review: Good and bad inside
11/7	TW Formosa Chemicals (1326 TT; Outperform; TP: NT\$135.00): 2Q18 earnings beat expectations
11/7	TW Formosa Petrochemical (6505 TT; Outperform; TP: NT\$132.00): Earnings beat
11/7	TW Formosa Plastics (1301 TT; Neutral; TP: NT\$118.00): Earnings beat
11/7	TW Gourmet Master (2723 TT; Neutral; TP: NT\$295.00): Operating margin still under pressure
11/7	TW Nan Ya Plastics (1303 TT; Outperform; TP: NT\$95.00): 2Q18 earnings beat expectations
11/7	HK Samson Holding (531 HK; Not Rated): Top-ten US furniture wholesaler
11/7	CN/HK Economy: China to retaliate by increasing tariffs considerably on certain US imports if US levies additional tariffs
11/7	TH Chememan (CMAN TB; Outperform; TP: Bt 4.00): Becoming one of the world's top ten lime producers
11/7	TH Thai Oil (TOP TB; Outperform; TP: Bt 92.00): 2Q18 earnings preview: Right time to accumulate
11/7	TH Thai Wah PCL (TWPC TB; Neutral; TP: Bt 9.30): 2Q18 earnings preview: Nightmare before Christmas
10/7	TW Financial Sector (Overweight): 2Q18 earnings up 6% on investment gains & net interest income
10/7	TW MediaTek (2454 TT; Outperform; TP: NT\$380.00): Near-term headwinds of soft sell-through & unstable emerging market currencies
10/7	CN/HK Stock Liquidity Monitor: Weekly data – Unlocked non-tradable shares & shareholding changes involving major shareholders
10/7	CN China handset optics: Investor feedback from Taiwan roadshow
10/7	TH Commodities Update: Upward trend in OPEC production
10/7	TH C.P. All (CPALL TB; Outperform; TP: Bt 92.00): 2Q18 earnings preview: Expect earnings to grow 16% YoY
9/7	GLOBAL Divergence, not decoupling: Downgrade global stock markets except US; Taiex upside limited, but also defensive
9/7	TW Taiwan Cement (1101 TT; Outperform; TP: NT\$59.0): 2Q18 sales beat; earnings upside to drive shares higher
9/7	HK Vitasoy (345 HK; Neutral; TP: HK\$27.06): China business continues to be revenue driver
9/7	CN/HK A-share Weekly: Expected escalating stimulus to help index find bottom amid volatility

For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com

STI Components and Key Metrics

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY18 (%)	Div Yield FY19 (%)
FINANCIALS								
DBS SP	DBS	25.87	66,305	(1.4%)	8.0%	0.6%	4.5%	4.8%
OCBC SP	OCBC	11.14	46,631	(1.4%)	(8.8%)	(1.5%)	3.8%	4.1%
UOB SP	UOB	26.04	43,459	(1.9%)	0.6%	(1.8%)	4.4%	4.7%
SGX SP	SGX	7.44	7,962	(0.7%)	1.3%	1.9%	4.0%	4.3%
PROPERTIES								
AREIT SP	Ascendas REIT	2.70	7,912	(0.4%)	2.2%	(0.4%)	6.0%	6.3%
CAPL SP	CapitaLand	3.05	12,724	(0.3%)	(10.8%)	1.0%	3.9%	4.0%
CCT SP	CapitaLand Comm Trust	1.73	6,475	(1.1%)	(6.5%)	0.0%	5.2%	5.2%
CT SP	CapitaLand Mall Trust	2.15	7,629	1.4%	3.7%	2.4%	5.1%	5.3%
CIT SP	City Development	9.64	8,766	(0.6%)	(22.0%)	0.2%	1.8%	1.8%
HKL SP	Hongkong Land USD	7.25	23,224	(0.4%)	5.1%	1.4%	2.9%	3.0%
UOL SP	UOL	6.79	5,721	0.0%	(21.9%)	1.2%	2.5%	2.5%
TELECOMMUNICATIONS								
ST SP	SingTel	3.26	53,233	0.6%	(8.7%)	(0.6%)	5.5%	5.6%
STH SP	StarHub	1.73	2,994	0.0%	(37.1%)	(0.6%)	9.1%	7.6%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	32.06	12,671	(0.4%)	(19.0%)	(0.5%)	3.7%	4.0%
JM SP	Jardine Matheson USD	64.67	64,833	(0.4%)	8.5%	2.2%	2.6%	2.8%
JS SP	Jardine Strategic Holding	38.08	57,437	(0.9%)	(3.2%)	4.6%	0.9%	0.9%
GENS SP	Genting Singapore	1.25	15,056	(0.8%)	(2.9%)	5.9%	2.8%	3.0%
SPH SP	SPH	2.77	4,427	(0.7%)	6.8%	0.7%	5.1%	4.9%
THBEV SP	ThaiBev	0.73	18,206	0.7%	(18.8%)	(1.4%)	3.0%	3.3%
VMS SP	Venture Corp	16.45	4,731	0.2%	(17.3%)	(2.7%)	4.1%	4.2%
TRANSPORT								
SIA SP	Singapore Airlines	10.38	12,275	(0.8%)	(2.7%)	0.5%	3.9%	3.9%
CD SP	ComfortDelGro	2.35	5,088	0.0%	22.0%	1.3%	4.5%	4.8%
COMMODITIES								
GGR SP	Golden Agri	0.27	3,438	(3.6%)	(26.8%)	(6.9%)	2.5%	2.5%
WIL SP	Wilmar	3.01	19,043	0.3%	(0.4%)	(2.0%)	3.4%	3.7%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	6.65	12,059	(0.3%)	(8.0%)	(1.3%)	3.9%	4.0%
SCI SP	Sembcorp Industries	2.59	4,628	(1.5%)	(14.0%)	(3.4%)	3.0%	3.7%
YZJSGD SP	Yangzijiang SGD	0.88	3,475	(0.6%)	(37.6%)	0.0%	4.5%	4.4%
SATS SP	SATS	5.06	5,651	(1.0%)	(2.7%)	(2.5%)	3.7%	3.9%
STE SP	ST Engineering	3.37	10,512	(0.6%)	6.3%	2.7%	4.6%	4.8%
HPHT SP	HPH Trust USD	0.28	3,321	0.0%	(29.7%)	(3.4%)	9.1%	9.4%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.

Source: Bloomberg

STI Reserve List (by market cap) - STI next review date: March 2018

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY18 (%)	Div Yield FY19 (%)
SUN SP	Suntec REIT	1.81	4,822	(1.6%)	(13.7%)	1.1%	5.5%	5.5%
MCT SP	Mapletree Commercial	1.60	4,617	(0.6%)	1.5%	0.0%	5.6%	5.8%
KREIT SP	Keppel REIT	1.14	3,885	(0.9%)	(7.4%)	2.7%	5.2%	5.2%
SMM SP	Semcorp Marine	1.95	4,072	0.0%	6.5%	0.5%	1.0%	1.3%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.

Source: Bloomberg

Appendix 1: Corporate Action

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 16 Jul 18	Yield (%)
Meghmani Organics Ltd	30-May-18	FY18	INR 0.4000	18-Jul-18	20-Jul-18	6-Aug-18	SGD 0.850	
Duty Free Int'l	11-Jul-18	1Q19	SGD 0.0080	19-Jul-18	23-Jul-18	8-Aug-18	SGD 0.215	3.7
SIA Engrg Co	15-May-18	FY18	SGD 0.0900	23-Jul-18	25-Jul-18	7-Aug-18	SGD 3.190	2.8
Singapore Telecoms	17-May-18	FY18	SGD 0.1070	26-Jul-18	30-Jul-18	13-Aug-18	SGD 3.260	3.3
Valuetronics Hldgs	25-May-18	FY18	HKD 0.1500	27-Jul-18	31-Jul-18	13-Aug-18	SGD 0.690	
Valuetronics Hldgs - Special	25-May-18	FY18	HKD 0.0500	27-Jul-18	31-Jul-18	13-Aug-18	SGD 0.690	
Japan Foods	10-May-18	FY18	SGD 0.0130	30-Jul-18	1-Aug-18	17-Aug-18	SGD 0.520	2.5
Ban Leong Technologies Ltd	25-May-18	FY18	SGD 0.01250	31-Jul-18	2-Aug-18	15-Aug-18	SGD 0.245	5.1
Bukit Sembawang Estates	24-May-18	FY18	SGD 0.04000	31-Jul-18	2-Aug-18	17-Aug-18	SGD 5.350	0.7
Bukit Sembawang Estates - Special	24-May-18	FY18	SGD 0.14000	31-Jul-18	2-Aug-18	17-Aug-18	SGD 5.350	2.6
SATS	30-May-18	FY18	SGD 0.1200	31-Jul-18	2-Aug-18	17-Aug-18	SGD 5.060	2.4
Singapore Airlines	17-May-18	FY18	SGD 0.3000	31-Jul-18	2-Aug-18	15-Aug-18	SGD 10.380	2.9

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
ESR-REIT	199 New Units @ S\$0.54 each Rts share for every 1,000 existing units in ESR-REIT	5-Mar-18	7-Mar-18		
Frasers Logistics & Industrial Trust	1 new unit @ S\$0.967 per new unit for 10 existing units in Frasers Logistics & Industrial Trust (FLT)	16-May-18	18-May-18		
Ocean Sky Int'l	1 Rights Share @ S\$0.062 per Rights Share for every 2 existing shares held and 1 warrant (exercise price S\$0.068) for every 1 Rights Share subscribed	10-Jul-18	12-Jul-18	17-Jul-18	25-Jul-18

Source: SGX Announcement

Latest Bonus & Listing Issue Announcement

Company	Particulars	Ex-Date	Book Close	Payable / Crediting Date	Listing Date
Willas-Array Elec (Hldgs)	1 Bonus share for every 10 existing ord share	7-Aug-18	10-Aug-18		

Source: SGX Announcement

Company	Offer Price	Closing Date	Offeror
Vard Hldgs	SGD 0.25 Cash	5.30 p.m. on 7 Aug 2018	Fincantieri Oil & Gas S.p.A.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
16-Jul		17-Jul		18-Jul		19-Jul		20-Jul	
Q2: Keppel REIT / Qian Hu / Soilbuild Biz Space REIT IPO: Koufu Grp (Main Board): Close @ 12.00 noon		Q2: First REIT / Keppel DC REIT / Keppel Infrastructure Trust / Keppel-KBS US REIT *Q2: First REIT		Q2: Keppel Telecoms & Tpt / Utd Overseas Insurance IPO: Koufu Grp (Main Board): Commence Trading @ 9.00 a.m.		Q1: SATS Q2: CapitaLand Commercial Trust / Keppel Corporation		Q2: CapitaLand Mall Trut / Sembcorp Marine	
23-Jul		24-Jul		25-Jul		26-Jul		27-Jul	
Q1: Mapletree Logistics Trust Q2: Hutchison Port Holdings Trust		Q1: Mapletree Industrial Trust Q2: Ascott Residence Trust Q3: Frasers Centrepoint Trust		Q1: Ascendas India Trust Q2: Suntec REIT / Tuan Sing Hldgs Q3: Frasers Commercial Trust *Q2: Lonza Grp AG		Q1: Mapletree Commercial Trust / Spore Airlines Q2: Dairy Farm Int'l Hldgs / Hongkong Land Hldgs / Mandarin Oriental Int'l / Parkway Life REIT Q3: Frasers Hospitality Trust		Q2: CapitaLand Retail China Trust / CDL Hospitality Trusts / iFast Corp (Release on Sat, 28-Jul) / Jardine Matheson Hldgs / Jardine Strategy Hldgs / M1 / OUE Hospitality Trust Q4: Starhill Global REIT *Q2: Indofood Agri Resources (Release on Sat, 28-Jul) *Q4: Spore Exchange	
30-Jul		31-Jul		1-Aug-18		2-Aug		3-Aug	
Q1: Mapletree North Asia Commercial Trust		Q2: Cache Logistics Trust / Far East Hospitality Trust *Q1: Eurotronic Grp		Q2: China Aviation Oil Spore Corp / Great Eastern Hldgs		Q2: Thakral Corp		Q2: UOB (Before mkt open) *Q2: Sembcorp Industries / Utd Overseas Australia / Venture Corp	
6-Aug		7-Aug		8-Aug		9-Aug		10-Aug	
Q2: OCBC (Before mkt open)		Q2: Best World Int'l		Q2: City Devpts *Q1: Meghmani Organics				*Q2: ComfortDelGro	
13-Aug		14-Aug		15-Aug		16-Aug		17-Aug	
Q2: Accordia Golf Trust / Emerging Towns & Cities Spore / LHT Hldgs *Q2: First Resources									

* Tentative

Source: Bloomberg

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